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U.S. SECURITIES AND EXCHANGE COMMISSION
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**U.S. SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

ALAN D. LIBMAN,

Defendant.

Case No. CV 07-4634 MMM(VBK)

~~PROPOSED~~ JUDGMENT AS TO
DEFENDANT ALAN D. LIBMAN

The Securities and Exchange Commission (“Commission”), having
filed and served a Complaint: and Defendant Alan D. Libman
 (“Defendant”); having answered the Complaint; entered a general
appearance; consented to the Court’s jurisdiction over Defendant and the

1 subject matter of this action; consented to entry of this Judgment without
2 admitting or denying the allegations of the Complaint (except as to
3 jurisdiction); waived findings of fact and conclusions of law; and waived
4 any right to appeal from this Judgment:
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7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
9 Defendant and Defendant's agents, servants, employees, attorneys, and all
10 persons in active concert or participation with them who receive actual
11 notice of this Judgment by personal service or otherwise are permanently
12 restrained and enjoined from violating Sections 5(a) and 5(c) of the
13 Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77e(a) and
14 77e(c)] by, directly or indirectly, in the absence of any applicable
15 exemption:
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- 18 (a) Unless a registration statement is in effect as to a security,
19 making use of any means or instruments of transportation or
20 communication in interstate commerce or of the mails to sell
21 such security through the use or medium of any prospectus or
22 otherwise;
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24 (b) Unless a registration statement is in effect as to a security,
25 carrying or causing to be carried through the mails or in
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1 interstate commerce, by any means or instruments of
2 transportation, any such security for the purpose of sale or for
3 delivery after sale; or

- 4
5 (c) Making use of any means or instruments of transportation or
6 communication in interstate commerce or of the mails to offer
7 to sell or offer to buy through the use or medium of any
8 prospectus or otherwise any security, unless a registration
9 statement has been filed with the Commission as to such
10 security, or while the registration statement is the subject of a
11 refusal order or stop order or (prior to the effective date of the
12 registration statement) any public proceeding or examination
13 under Section 8 of the Securities Act [15 U.S.C. § 77h].
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17 **II.**

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND
19 DECREED that Defendant and Defendant's agents, servants, employees,
20 attorneys, and all persons in active concert or participation with them who
21 receive actual notice of this Judgment by personal service or otherwise are
22 permanently restrained and enjoined from violating Section 17(a) of the
23 Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the
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1 use of any means or instruments of transportation or communication in
2 interstate commerce or by use of the mails, directly or indirectly:

- 3 (a) to employ any device, scheme, or artifice to defraud;
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5 (b) to obtain money or property by means of any untrue statement
6 of a material fact or any omission of a material fact necessary in
7 order to make the statements made, in light of the
8 circumstances under which they were made, not misleading; or
9
10 (c) to engage in any transaction, practice, or course of business
11 which operates or would operate as a fraud or deceit upon the
12 purchaser.
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14 **III.**

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND
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17 DECREED that Defendant and Defendant's agents, servants, employees,
18 attorneys, and all persons in active concert or participation with them who
19 receive actual notice of this Judgment by personal service or otherwise are
20 permanently restrained and enjoined from violating, directly or indirectly,
21 Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act")
22 [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R.
23 § 240.10b-5], by using any means or instrumentality of interstate commerce,
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1 or of the mails, or of any facility of any national securities exchange, in
2 connection with the purchase or sale of any security:

- 3 (a) to employ any device, scheme, or artifice to defraud;
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5 (b) to make any untrue statement of a material fact or to omit to
6 state a material fact necessary in order to make the statements
7 made, in the light of the circumstances under which they were
8 made, not misleading; or
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10 (c) to engage in any act, practice, or course of business which
11 operates or would operate as a fraud or deceit upon any person.
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13 **IV.**

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
15 Defendant and Defendant's agents, servants, employees, attorneys, and all
16 persons in active concert or participation with them who receive actual
17 notice of this Judgment by personal service or otherwise are permanently
18 restrained and enjoined from violating, directly or indirectly, Section
19 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] by, while as a broker
20 or dealer and while not associated with a broker or dealer which is a person
21 other than a natural person, making use of the mails or any means or
22 instrumentality of interstate commerce to effect any transactions in, or to
23 induce or attempt to induce the purchase or sale of, any security (other than
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1 an exempted security or commercial paper, bankers' acceptances, or
2 commercial bills) unless registered in accordance with Section 15(b) of the
3 Exchange Act [15 U.S.C. § 78o(b)].
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5 **V.**

6 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
7 Defendant and Defendant's agents, servants, employees, attorneys, and all
8 persons in active concert or participation with them who receive actual
9 notice of this Judgment by personal service or otherwise are permanently
10 restrained and enjoined from violating, directly or indirectly, Section
11 15(b)(6)(B)(i) of the Exchange Act [15 U.S.C. § 78o(b)(6)(B)(i)] by, without
12 the consent of the Commission, willfully becoming or being associated with
13 a broker or dealer in contravention of the February 4, 1994 Commission
14 Order entered against him (In the Matter of Alan D. Libman, Admin. Proc.
15 File No. 3-7803).
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20 **VI.**

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, and
22 DECREED that pursuant to Section 21(e) of the Exchange Act [15 U.S.C. §
23 78u(e)] Defendant comply with the Commission's February 4, 1994 Order
24 entered against him (In the Matter of Alan D. Libman, Admin. Proc. File
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1 No. 3-7803) to the extent that it bars Defendant from association with any
2 broker or dealer.

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4 **VII.**

5 IT IS HEREBY FURTHER ORDERED, ADJUDGED, and
6 DECREED that upon motion of the Commission, Defendant shall provide an
7 accounting for the receipt and disposition of all investor funds.

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9 **VIII.**

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND
11 DECREED that upon motion of the Commission, Defendant shall pay
12 disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil
13 penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]
14 and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The
15 Court shall determine the amounts of the disgorgement and civil penalty
16 upon motion of the Commission. Prejudgment interest shall be calculated
17 from January 1, 2000, based on the rate of interest used by the Internal
18 Revenue Service for the underpayment of federal income tax as set forth in
19 26 U.S.C. § 6621(a)(2). In connection with the Commission's motion for
20 disgorgement and/or civil penalties, and at any hearing held on such a
21 motion: (a) Defendant will be precluded from arguing that he did not violate
22 the federal securities laws as alleged in the Complaint; (b) Defendant may
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1 not challenge the validity of the Consent or this Final Judgment; (c) solely
2 for the purposes of such motion, the allegations of the Complaint shall be
3 accepted as and deemed true by the Court; and (d) the Court may determine
4 the issues raised in the motion on the basis of affidavits, declarations,
5 excerpts of sworn deposition or investigative testimony, and documentary
6 evidence, without regard to the standards for summary judgment contained
7 in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with
8 the Commission's motion for disgorgement and/or civil penalties, the parties
9 may take discovery, including discovery from appropriate non-parties.
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13 **IX.**

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
15 the Consent of Defendant is incorporated herein with the same force and
16 effect as if fully set forth herein, that Defendant shall comply with all of the
17 undertakings and agreements set forth therein.
18

19 **X.**

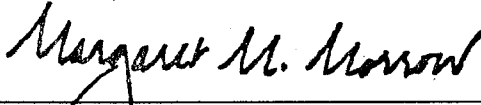
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21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
22 this Court shall retain jurisdiction over this action for all purposes, including
23 implementing and enforcing the terms of this Judgment and all other orders
24 and decrees which have been or may be entered in this case, and granting
25 such other relief as the Court may deem necessary and just.
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XI.

There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Judgment.

Dated: April 8, 2008



HON. MARGARET M. MORROW
U.S. DISTRICT JUDGE